

# 1Q19 Results

May 14<sup>th</sup>, 2019



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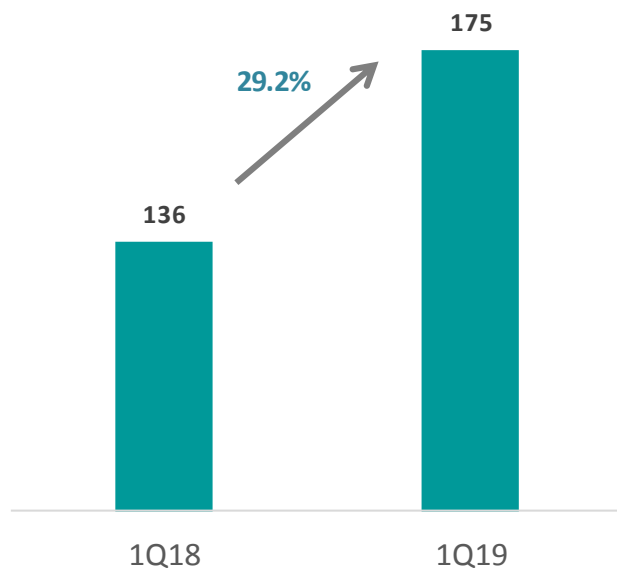
# 1Q19 Highlights

Reais million	1Q19	1Q18	% var.
Revenues	<b>369.7</b>	293.2	26.1
Gross Profit	<b>58.0</b>	43.5	33.5
Operational Profit	<b>20.7</b>	11.3	82.3
Adjusted EBITDA	<b>33.3</b>	20.0	66.3
Net Profit	<b>17.3</b>	-13.7	nm

- ❄ 1Q19 Net Revenues up 26.1% to R\$369.7 million compared to the corresponding prior year period
- ❄ Adjusted EBITDA of R\$33.3 million (66.3% higher than prior year and EBITDA 52.4% higher in a comparable basis without IFRS 16 and extraordinary adjustments)
- ❄ Net Profit of R\$17.3 million in 1Q19 vs a Net Loss of R\$13.7 million in 1Q18. Last twelve months Profit Before Tax of R\$51.9 million and Net Profit of R\$25.6 million
- ❄ Net Debt to Adjusted EBITDA ratio of 3.08x in 1Q19 (versus 4.55x 1Q18).

# Americas Operations

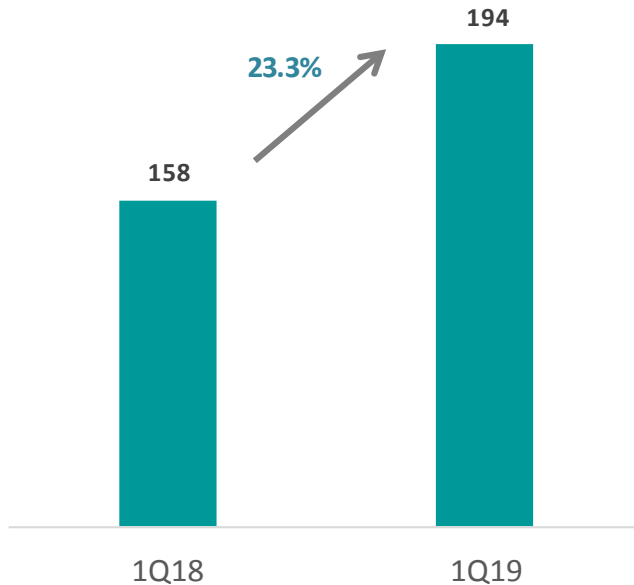
## 1Q19 sales (R\$175.2 million):



## Americas highlights:

- ❄ Revenues increased by 29.2% vs. 1Q18 led by both Brazil and Mexico as market conditions were less volatile and important improvements in specific segments and channels were achieved in the period.
- ❄ **Revenues in Brazil increased 15.1% vs. 1Q18**
  - ❄ Continued Lifecycle development;
  - ❄ Increasing volumes to key accounts;
  - ❄ Higher sales of premium products.
- ❄ **Revenues in Mexico increased 103.6% vs. 1Q18**
  - ❄ Growth in Lifecycle business;
  - ❄ Continued placement momentum in the domestic market;
  - ❄ New Key accounts.

## 1Q19 sales (R\$194.4 million):



## Europe highlights:

- ❄ **Revenues increased 23.3% to R\$194.4 million**, despite the devaluation of the Turkish lira versus the Brazilian Real;
- ❄ In a local currency basis, sales in Turkey increased 54.4%, reflecting the continued uptake of the new installed capacity;
- ❄ Consistent growth in the domestic market driven by the launch of Innovative brand-specific products in the beer and soft drink segments.

# Initiatives

- ❄️ Active engagement with our customer base



- ❄️ Manufacturing Throughput and Productivity gains through Lean Management



- ❄️ Driving Lifecycle differentiator (Asset Management Services)

Life|Cycle

- ❄️ Innovation



Million reais	1Q19	1Q18	% var.
Adjusted EBITDA	<b>33.3</b>	20.0	66.3
Working Capital	<b>116.2</b>	166.4	(30.2)
Op. Cash Flow	<b>15.5</b>	(107.4)	nm
Capex	<b>9.0</b>	12.1	(25.3)

❄ Adjusted EBITDA increased 66.3% vs 1Q18, reaching R\$ 33.3 million;

❄ Decrease in our working capital requirements shows our strong level of discipline in improving cashflow.

Cash cycle days	1Q19	1Q18	Var.
Days of receivables	46	68	-22
Days of inventory	75	84	-9
Days of suppliers	98	99	-1
<b>Cash cycle</b>	<b>23</b>	<b>53</b>	30
Current Liquidity	1.1x	1x	n/a

# Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ mn)	1Q18	2Q18	3Q18	4Q18	1Q19	Chg. 1Q19/ 1Q18	Chg. 1Q19/ 4Q18
<b>Cash and equivalents, bonds and securities</b>	<b>386.6</b>	<b>362.3</b>	<b>411.2</b>	<b>544.7</b>	<b>468.3</b>	<b>81.7</b>	<b>-76.4</b>
Short term debt (ST)	574.5	390.3	388.5	496.1	<b>464.2</b>	-110.2	-31.9
Long term debt (LT)	286.6	493.1	536.9	382.8	<b>417.5</b>	130.9	34.7
USD denominated debt	484.2	223.2	164.9	132.2	<b>51.2</b>	-432.9	-81.0
BRL denominated debt	27.5	279.0	369.1	354.4	<b>434.7</b>	407.2	80.3
Euro denominated debt	349.4	381.3	391.3	392.3	<b>395.8</b>	46.5	3.5
<b>Gross debt</b>	<b>861.0</b>	<b>883.5</b>	<b>925.3</b>	<b>878.9</b>	<b>881.8</b>	<b>20.7</b>	<b>2.9</b>
<b>Net cash / (Net debt)</b>	<b>-474.4</b>	<b>-521.1</b>	<b>-514.1</b>	<b>-334.2</b>	<b>-413.4</b>	<b>60.9</b>	<b>-79.2</b>
<b>Shareholders' equity (Equity)</b>	<b>84.8</b>	<b>70.6</b>	<b>64.5</b>	<b>87.4</b>	<b>98.3</b>	<b>13.5</b>	<b>10.9</b>
Cash and equiv. / ST debt	0.7x	0.9x	1.1x	1.1x	<b>1x</b>	n/a	n/a
ST debt / (ST + LT)	66.7%	44.2%	42.0%	56.4%	<b>52.6%</b>	n/a	n/a
Net cash (Net debt) / Equity	-5.6x	-7.4x	-8x	-3.8x	<b>-4.2x</b>	n/a	n/a
Net debt / (Net debt + Equity)	84.8%	88.1%	88.9%	79.3%	<b>80.8%</b>	n/a	n/a



## ❄️ 2019 outlook

❄️ We remain vigilant of external challenges such as the currency volatility and inflationary pressures particularly in Turkey which are likely to continue in the near term, as well as ongoing global trade tensions and mixed macroeconomic developments causing market uncertainty.

❄️ Prioritisation of Customer Value-Creation, ensuring to provide Innovative, market-leading solutions

❄️ Further growth in Lifecycle

❄️ Strong financial discipline to drive continued cash flow improvement and further improve liquidity and balance sheet

❄️ Continue improving the Net Debt to EBITDA ratio aiming at 2.5x in the near future.

# Strategic Priorities

**Metalfrío is committed to delivering long-term shareholder value through its key strategic priorities:**

- ❄ Sustainable and profitable sales growth
  - ❄ Actively engaging customers and delivering incremental value
- ❄ Innovative Product range and Lifecycle advantage
- ❄ Deleverage
  - ❄ Financial discipline – working capital and capital allocation
  - ❄ Improvement in operational performance
- ❄ Margin Expansion
  - ❄ Cost Optimization
  - ❄ Higher value added products and services
  - ❄ Operating leverage
- ❄ New Platforms for Future Growth
  - ❄ Geographic expansion
  - ❄ New Technologies

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